Bayh Demands Recheck Of Kleindienst Action

By Spencer Rich

Sen. Birch Bayh (D-Ind.) demanded yesterday that the Senate withhold approval of Richard G. Kleindienst as Attorney General until 28 "crutorney General until 28 "crucial unanswered questions surrounding the Kleindienst nomination and the ITT case" are resolved.

Bayh said a "exhaustive examination" of the recently completed Judiciary Committee hearings on Kleindienst and ITT revealed so many contradictions and unanswered questions about Kleindienst's role in settlement of the ITT antitrust case that "he hearings have ended with the cloud of suspicion . . having grown darker than when they began."

"To confirm the nominee under such circumstances would erode public confidence in our government and undermine the effectiveness of the office of Attorney General," said Bayh.

The hearings concentrated on charges that an antitrust case against ITT, seekingt o force it to give up the Hatrford Insurance Co. which it had acquired, was settled out of court without divestiture because ITT had promised a donation of at least $200,000 and possibly $400,000 toward the costs of the forthcoming Republican National Convention

Approval Voted

Following the hearings, the Judiciary Committee voted 11 to 4 to approve the nomination, with Bayh joining Edward M. Kennedy (D-Mass.), Quenten N. Burdick (D-N.D.) and John V. Tunney (D-Calif.) in opposition.

Bayh said the evidence was so contradictory on the key 28 points that assertions by Kleindienst or witnesses favorable to him appeared subject to major challenge.

For example, said Bayh, Kleindienst asserted that the ITT antitrust settlement was handled "exclusively by Assistant Attorney General Richard W. McLaren," yet testimony indicates that Kleindienst discussed the case with ITT offieial John Ryan, ITT lawyer Lawrence Walsh and ITT director Felix Rohatyn.

SEN. BIRCH BAYH
. . . unanswered questions

On a second point, Bayh said he couldn't understand McLaren's statement that he had decided to settle the case against ITT instead of press suit because of the potential "devastating financial consequences" to the company and the stock market. Bayh said such consequences were not only legally precluded from consideration by government prosecutors, but in any event must have been obvious long before McLaren was said to have suddenly discovered them.

Bayh's third point was a challenge to McLaren's assertion that an adverse "significant ripple effect" on the stock market and economy might occur if the divestiture was pressed.

No Evidence, He Says

Bayh said there was no evidence to back this speculation, and in fact, a memo by Richard amsden cited by McLaren, analyzing the effect of divestiture, didn't actually make this assertion.

Bayh also said McLaren and Kleindienst had at first said the case was settled without divestiture of Hartford because of potential adverse balance of payments effects, but they dropped this explanation in later testimony.

Bayh also questioned why the Justice Department had used Richard Ramsden, a private broker, for advice on the market impact of ITT-Hartford divestiture, and why it had obtained him through the White House instead of Justice Department channels; why White House aide Peter Flanigan had provided Ramsden with a document giving only the ITT side of the dispute; why Ramsden had not been disqualified for making any analysis after he notified Flanigan his firm was manging $200,000 worth of ITT stock; whether ITT officials had tried to influence Flanigan to intervene in the case on their behalf.

Other Questions

Other questions raised by Bayh: The degree of White House discussions with Kleindienst on the case; whether there was White House pressure on then Attroney General John N. Mitchell to settle the case favorable to ITT; whether ITT lobbyist Dita Beard was directed to discuss the case with Mitchell by her superiors; whether Mitchell had, in fact, totally disqualified himself from the case because his former law firm had done work for ITT, and if so, why he met with ITT President Harold Geneen on Aug. 4, 1970; whether Mrs. Beard was truthful in denying she wrote a memorandum linking the antitrust settlement with the ITT contribution to the GOP eonvention.

Bayh also challenged testimony concerning the shredding of ITT memoranda, Mrs. Beard's physical condition and various other matters.